

PRIME MINISTER'S PRESS CONFERENCE
PARLIAMENT HOUSE, CANBERRA
TUESDAY 30 JULY 1974

PRIME MINISTER: Are there any questions?

QUESTION: Is it true as Senator Michael Townley alleged in the Senate today that the Government is proposing to acquire two Boeing 707's from Qantas. Have you asked that these planes be ready for your trip to Indonesia or for any trip anywhere for that matter? Can these planes be sold by Qantas for \$20 million, could the cost of running these planes be \$12 million a year? Is one of these planes to be known as "Airforce One"?

PRIME MINISTER: We conduct an independent airforce, so it might be that we would devise a name of our own. I have no doubt that you would apply that name to it. There has been, for quite some time, a suggestion that the Airforce should acquire some of the surplus, the old model, 707s from Qantas. The Airforce needs this capacity. Qantas no longer needs the aircraft. Any sale by Qantas to the Airforce will be on commercial terms. I don't believe any arrangements have been made yet. I have no doubt they will be made in due course. There will be many months required to convert any aircraft which the Airforce buys, not only to convert the aircraft, but more importantly of course, to train the air crew and the staff to service them.

QUESTION: Well they go into the VIP fleet soon?

PRIME MINISTER: I expect so but, like any of the VIP fleet they can be used for troop transports, for I think, Cyprus, Butterworth. I don't know what position any plans are in at the moment but it would be very many months I am told before there can be any use by the Airforce of any of these Qantas surplus aircraft.

QUESTION: But that is the intention?

PRIME MINISTER: I think in general terms; I don't know that a decision has been made. I know it has been suggested for quite some years. It was suggested before we came in. It is one matter where we haven't made a very quick decision.

QUESTION: Following discussions I understand between ministers over the past few days, has any decision been made about the possibility of either increasing our police contingent in Cyprus or sending Australian troops there as part of the United Nations Peace Keeping Force?

PRIME MINISTER: The Foreign Minister, Senator Willesee, has been considering this matter. I haven't spoken to him in the past 20 hours about it so perhaps you should ask him what the present position is. It is more likely that we would send troops if the U.N. asked than to send police. The troops would be more readily available. They are, of course, entirely within the jurisdiction of the Australian Government. The police, however, would mainly

be in the jurisdiction of the State Governments. The Commonwealth Police Force and the two territory police forces would not be responsible for more than a small fraction of the police in Australia. We have had some difficulty in maintaining the police contingent of about 35 in Cyprus. When the Government was elected there was some pressure from the States, in fact, to discontinue our participation. However, I persuaded all the Premiers, except Queensland, to continue their contribution. I have seen the police contingent in Cyprus on a couple of occasions and they undoubtedly do a very effective job.

QUESTION: About how many troops would you consider?

PRIME MINISTER: I don't know. You should ask Senator Willesee about this.

QUESTION: Can you tell us if there is a Prime Ministerial or ministerial statement on the reported explosion of the fifth test by the French?

PRIME MINISTER: I would expect that Senator Willesee will make a statement when we have reason to believe that a fifth explosion has taken place. We have done it after each of the other four. I think I did, I was acting of course.

QUESTION: The one that occurred yesterday morning?

PRIME MINISTER: There will be a statement when we have reason to believe it.

QUESTION: In view of the fact that many of your ministers and I name them: Dr Cairns, Dr Cass, Mr Cameron, Mr Bryant and, of course, Mr Crean have been publicly denouncing economic policies to the confusion of the people, will you yourself now say in precise terms what is your Government's policy to combat inflation. And do you appreciate and agree with the historical analogy that is being drawn of a parallel between the economic problems of the Scullin Government and that of your own Government?

PRIME MINISTER: Well this is a very enticing question. It is put in very attractive terms and I hope you will forgive me if I don't respond to all the invitations that you have put so civilly. I think you would have got a very good illustration in Question Time today of the folly of making comments on reports of what ministers say. The Leader of the Opposition, Mr Snedden, asked Mr Crean a question obviously based on a story on the front page of the "Australian", I think it was, that Dr Cairns has said that some banks might crash. You heard Dr Cairns give a personal explanation after Question Time that he never made any such statement. Now I don't blame Mr Snedden because better men than he have fallen for this trap. In fact the "Australian", right next to this story, quoted Mr R.V. Cameron, the spokesman for the banks as a whole - I am not referring to Mr Prowse, the spokesman for the "Wales", I am referring to Mr Cameron, the spokesman for all the banks - saying how irresponsible it was for a senior minister to make such a statement and, of course, it would have been very irresponsible for any senior minister or any minister or any member of Parliament or any Leader of an Opposition to make such a statement. But, no such statement was made. I discussed this with Dr Cairns; he discussed it with me yesterday, and he told me how some of the

journalists from other newspapers were called in by their editors to explain how they missed such a scoop and they pointed out to their editors that, in fact, Dr Cairns had not said it. He had, in fact, discounted any such eventuality as regards the banks. The banks in Australia are all guaranteed by the Reserve Bank which is guaranteed by the Australian Government, so there will be no bank crashes in Australia. This is fresh in our minds and I think it is quite foolish - I have always taken this attitude as you know, that I don't comment on reports unless I have seen the text or heard the speech. In this case there is a story beaten up on something which was quite inaccurate, so I will not respond, I regret, to your summary. Even your summary might not be accurate. I mean you were not there, you didn't hear these things, you haven't got the text.

QUESTION: A lot of other statements have been made though, Sir, on economic policies?

PRIME MINISTER: Well, if you don't mind, I will only comment on things which I know or can check myself.

QUESTION: Well, with respect, will you say what the Government's economic policies are then?

PRIME MINISTER: It falls to me to enunciate these things, for instance, at the Premiers' Conference on 7 June, I did so. There will be a Premiers' Conference I expect as soon as this session ends and I will express the Government's policy at that. The Treasurer gave part of the program last Tuesday. He will be giving a very large part of the program on 17 September when he presents the Budget.

QUESTION: What benefits do you see in wage indexation?

PRIME MINISTER: I believe that it avoids the too frequent and too large wage and salary claims which are being made at the moment. These claims are being made so frequently and so excessively in anticipation of rising prices. Now, indexation will cope with any increase in prices. It will eliminate the excess and reduce the frequency of wage claims. I have expressed that view as you know for some months now.

QUESTION: Is the Government about to announce or have you decided to bring in new controls or restrictions on travel from Britain and New Zealand to Australia?

PRIME MINISTER: There has been some correspondence with other Commonwealth Prime Ministers concerning the same requirements for all people coming to Australia. At the moment there is discrimination in travel documents between people of European origin and others. This has been an unacceptable feature of our relations, for instance, with Fiji. Accordingly, there has been some correspondence.

QUESTION: Does that mean in fact that you are going to bring in the same sort of restrictions for British travellers to Australia as there are for other travellers?

PRIME MINISTER: The difference has been between British subjects of European origin and British subjects of other origins. For instance in Fiji.

QUESTION: Can you outline for us any of the ground rules for the joint sitting next Tuesday?

PRIME MINISTER: There will be a meeting between the Leader of the House, the Minister in charge of Government business in the Senate and their counterparts and the Clerks. There have been some informal meetings up till now but of course it hasn't been proper to publicise them because one shouldn't give the impression of counting one's chickens before they are hatched. One has to see what the Governor-General's decision will be and he, of course, only made that this morning so there will be meetings for this purpose. There will have to be legislation if privilege is to attach to the proceedings of the joint sitting such as attaches to the sittings of the individual Houses. We will have to amend the Parliamentary Broadcasting Act and the Parliamentary Papers Act in order to give privilege to documents and I think also the Evidence Act so as to enable proofs to be given in the courts of the proceedings of a joint sitting as distinct from the separate sittings which have always taken place up until now.

QUESTION: In reply to the Rt. Hon. the Leader of the Opposition in the House this morning, you said that either House can reject or defer Public Service pay increases. In view of the Government's call for restraint....

PRIME MINISTER: I think I said reject, or disallow, I don't think I used the word defer.

QUESTION: Is it the Government's intention to act that way by using its numbers in the House of Representatives?

PRIME MINISTER: Well, wait and let us see if there are any of these determinations that come before it. I think the Rt. Hon. the Leader of the Opposition to give him the title which he likes to adopt in the British mould. I am satisfied to have a purely Australian designation. Maybe I am the first Prime Minister since Deakin to be content with that appellation. Nevertheless, I don't want to disparage the Rt. Hon. gentleman. He referred to the proposed \$16 increase for clerical administrative staff and so on. Now, that determination I am told was issued only yesterday. It will be my job to table it. I haven't yet got it. Now, it will then be open to anybody in the Parliament to move to disallow it. Either House can disallow determinations, we saw that in respect to proceedings under the Remuneration Tribunal Act last week. It has always been possible under the Public Service Arbitration Act.

QUESTION: In reference to your answer to Ken Begg's question about indexation, you said that it would avoid too frequent and too large wage claims. How will it do this for salary earners above the minimum who will find that in fact indexation under the Cameron plan, if it comes about, will not compensate them in percentage terms, percentage price rises, and how will it do it for the crucial metal trades awards for which negotiations are to take place, I think, immediately after the Moore Conference? And with respect to the last matter, will the Government be taking a more active stance in relation to these vital metal trades rounds of negotiations?

PRIME MINISTER: The Government's proposals for Mr Justice Moore's Conference were given to you by Mr Cameron at a press conference yesterday. I was asked in Question Time a couple of hours ago about the metal trades matter. At this stage, it is purely a matter of negotiation. It is not before arbitration. If it does come before arbitration, then the Government can consider its attitude. But, frankly we are busy enough without considering contingencies which might never come about. I was interested to learn that the employers in the metal trades are now taking the attitude that because of the Government's more stringent attitude towards protection for industries, they can't automatically absorb any wage increases, including those under sweetheart agreements, and just pass them on to the public. The public interest is being served in this case very clearly by the Government's attitude on protection, on tariffs.

QUESTION: And what about the higher paid workers, the fact that they wont....

PRIME MINISTER: Mr Cameron, I believe, discussed all this with you yesterday. In our proposal there would be a flat rate increase for all people above the level to which the Moore Conference agrees there should be indexation. The Government rejected the idea that there should be indexation across-the-board. The Parliament's attitude was shown last week on this matter. For instance, if there is a 15 per cent increase in the cost of living it is obviously more necessary, more just, to increase by 15 per cent the award income of people at the bottom of the salary scale. This is my argument with the Premier of Queensland, Mr Bjelke Petersen. As I said at Question Time this morning, since 1921 the Queensland Parliament has had an act which says that if the minimum wage for males in Queensland goes up by a certain percentage in any financial year then every Member of Parliament will have his salary increased by the same percentage for the following year. The Queensland Parliament has adopted a policy of wage indexation for the top people. The same percentage as for the bottom people, the minimum people. The Cabinet considered this yesterday and supported the idea that Mr Crean and I should discuss this with the Premiers. It is quite futile for us to have a moratorium between December last and July next for the people at the top of the salary tree in the federal garden and to have all the proliferation and luxuriants in the State gardens because there are twice as many Public Servants employed by the State Governments as by the Australian Government. There are three times as many ministers, members, judges, in the State gardens as in the federal garden. Now, if you are to have any economic impact or even if you are to have any psychological impact it is not achieved by just having a moratorium on the incomes for 187 members of the Federal Parliament. You can have a very considerable economic and psychological impact if you show a similar restraint, if you have a moratorium for the top people in the States as well as in the federal.

QUESTION: What is your reaction to the Senate blocking salary rises for Parliamentarians?

PRIME MINISTER: Pleasure.

QUESTION: And the second one, what's your reaction to Mr Snedden's announced intention that the Opposition plans to vote against the postal rises in the Senate?

PRIME MINISTER: It would be grossly irresponsible. The Post Office in this new financial year, if there is no increase in its charges for postal and telegraphic services, will suffer a deficit of \$142 million. Last week the Opposition didn't oppose it outright in the House of Representatives. Apparently events of last week have gone to their heads as it did last April, they have decided to oppose them in the Senate. Now, if they are rejected in the Senate it will be two months before they can be brought in in the Budget. That means that we will have subsidised these losses from taxes to an extent of about \$25 million. Now, the previous Government, when Sir Alan Hulme was Postmaster-General, had a report from the Director-General of Posts and Telegraphs, the same one who is there now, that there would have to be these increases. He specified that the basic postal rate would have to go up from 7 cents to 9 cents. He stated that, and would later on have to go up to 10 cents and he made similar projections for the telephone service. So, it was known before we came into Government. Very soon after coming into Government we asked Sir James Vernon and two other prominent businessmen, accountants, to serve as a Royal Commission into the whole of the operations of the Post Office. Their report came in in April, it is quite a large one as you know, two volumes, we got it printed and we tabled it last Tuesday and Sir James Vernon's Royal Commission recommends these increases. Now, nobody has discounted or reputed what he had to say on this. In fact, he has recommended some economies which we have accepted. You remember for about 12 years under the Liberal Government there had been a charge on users of the services to pay back the capital cost of the services. Sir James Vernon recommended against that and we have accepted his recommendation. It was a matter which Mr Crean had highlighted throughout the 1960s. Now, it seems the grossest irresponsibility from Opposition, which when it was in Government knew this would have to be done, which has now had that knowledge reinforced by Sir James Vernon's Royal Commission, now to say that it will reject those charges. Now, on 7 June I said to the Premiers that we would not heed their pleas to put up our taxes in order to pay for their deficits on their business enterprises. The New South Wales railways this year were expected to lose \$170 million. The Victorian railways were expected to lose this financial year \$70 million and, of course, the Post Office is expected to lose \$142 million, that I take it if there is no further increases in wages and salaries. Now I said to the States they would have to make their business enterprises pay. We were determined to make ours pay. If these charges are rejected in the Senate the taxpayers as a whole will be subsidising our enterprises. I suppose if that's the case we ought to be consistent and subsidise the \$170 million losses on the New South Wales railways, the \$70 million losses on the Victorian railways. The total is about one-quarter of a billion this year, losses on State Government enterprises. Now, it is quite inflationary to subsidise the installation of telephones. No telephone costs less than \$2,000 to put on. If you are in an exchange with fewer than 200 subscribers connected to it the cost is over \$20,000. Now if you were installing pieces of machinery or a whole battery of colour television sets you wouldn't expect the Government to advance you the capital required. This is the biggest business enterprise in Australia and it was running down. We got top business people to advise us and we have accepted their advice and the Opposition composed, one would think, of people who claim to be businessmen are rejecting the advice. That is, they are treating Vernon the way Menzies treated Vernon. I believe the public will see how irresponsible this is. Why should we put up taxes or keep taxes up in order to subsidise business enterprises?

QUESTION: Do you think it is good business now to be purchasing two 707s from Qantas for the VIP flight?

PRIME MINISTER: I am not sure that we are. I didn't give that impression earlier. I don't know. I will find out if you like, but I don't know. All I can say is that the Airforce, for some years, has said that they need better transport aircraft than the BAC III. The BAC III hasn't got adequate range. The Cabinet at the time was misled as to the range. You know that it can't fly across Australia from east to west in one hop.

QUESTION: What assistance will you be seeking from the State Premiers when you meet and if you don't get them, what action would you take to get them through other methods, other ways, would you consider perhaps going to the people by way of referendum?

PRIME MINISTER: No, I think the Opposition would be irresponsible again there. They would scare the people again. But after all, the things on which we sought powers by referendum are all matters which are in the powers of the State Parliaments as it is. Now I have said for months, well over a year, I put it to the Premiers at the last inflation conference in May last year that they ought to do something about their land prices. South Australia has done so. The other Labor Governments tried to get it through their Upper Houses but didn't succeed, but this is obviously something which is within the powers of the State Governments. They don't make any more land and it can't be carried across a State border, they can regulate the increase in prices.

QUESTION: But that's not your exhaustive list I presume?

PRIME MINISTER: No, as I understand what they are prepared to discuss is a concerted program among themselves of how they would exercise these matters. I give you a specific instance of something that they could do and they should have done and people have suffered in the meantime because they haven't.

QUESTION: What's your view of the argument that a Cabinet of 27 ministers is too large a body to take decisive action on economic policies. Would you favour adopting perhaps the Liberal/Country Party Government's practice of having an inner and outer Cabinet?

PRIME MINISTER: I agree that 27 is too large a Cabinet to deal with such matters. I believe that there ought not be more than half that number of ministers. The United States gets by with a Cabinet of about 8. But I am not saying that that is the universal experience, I think Canada has a larger one than we. There is a very great deal of loose talk goes on about how we conduct our affairs. Our work is done at Cabinet committees and the largest of those committees consists of 12 men and then the Cabinet considers recommendations which each committee makes on the submissions that the various ministers have made. Those committees are augmented by the presence of any minister who does not belong to that committee but who has a submission on the subject which comes before that committee. Now this has been public knowledge, I would have thought, for the last year and a half. The 27 do not consider things from the outset, each committee considers such matters. There is the Welfare Committee, there is the Foreign Affairs and Defence Committee, there is the Economic Committee, Legislation.

QUESTION: How much say will the Caucus have in the framing of the Budget and if they do have some say in it, what safeguards will there be about leakage of information on which people could profiteer?

PRIME MINISTER: There were no leaks before the last Budget. There was one reason why we brought in some of those extra Customs and Excise matters last week because there would have inevitably have been speculation if we had waited until the 17 September. We brought in legislation which will avoid it now but by bringing it in earlier, a month earlier than it ordinarily would have been, two months earlier than the Budget itself will come in this time, we would have been able to avoid that speculation. None of you brought up any whiskey last Tuesday.

QUESTION: Did Mr Crean's statements of last Tuesday night contain all of the anti-inflationary matters that you would have like to have seen announced at that second stage of the Government's program.

PRIME MINISTER: No.

QUESTION: Can you tell us what....

PRIME MINISTER: No. Well, gentlemen, I hope you won't feel that I am being perceptive or evasive if I do not answer any fiscal questions. You would be rather amazed if I were to - I am too responsible to do that and all of you gentlemen would be too responsible to give your readers, your viewers, any impression that a Head of Government would be so irresponsible.

PRIME MINISTER: Oh wait a moment, there is a beauty. I was hoping I would get a question from the Canberra Times and I was going to put it to you. It is a matter of very great moment, it is on behalf of Harry M. Miller - well, I shouldn't have been so blatant. Next year from 7 March to 16 March, Canberra will stage a major festival devoted specifically to Australian creative arts and sciences. It is intended to make this a biennial event. Next year's festival will be called "Australia '75". In keeping with my Government's practical support for the arts we have made a grant of \$45,000 towards the cost of mounting this festival, although it is being organised with the intention of being as close to self-supporting as possible. The organisers hope to attract a public happy to pay for the enjoyment of seeing and hearing some of our exciting national achievements in the arts and sciences. Mr Harry M. Miller has accepted an invitation by the Festival Board to work as consultant to the festival organisation. He will work in collaboration with the artistic director, Mr Stefan Haag, and will be responsible for promotion and public relations areas. Between 1967 and 1970 Mr Miller was a commercial consultant to the Elizabethan Theatre Trust, and is well-known as producer of his own theatre productions. He is Chairman of the Art Gallery Society of New South Wales and a member of the Board of the National Institute of Dramatic Art. He trained me for this elocution.
